



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

July 12, 2013

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To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

MOTION TO ADOPT AN OPPOSE POSITION TO SB 556 (CORBETT) AND DIRECT THE CHIEF EXECUTIVE OFFICER TO TRANSMIT A FIVE-SIGNATURE LETTER TO THE LOS ANGELES COUNTY STATE DELEGATION INFORMING THEM OF THE COUNTY'S POSITION (AGENDA ITEM NO. 3, MEETING OF JULY 16, 2013)

Item No. 3 on the July 16, 2013 Agenda is a motion by Supervisor Antonovich recommending that the Board of Supervisors adopts a position of oppose to Senate Bill 556 (Corbett) and direct the Chief Executive Officer to transmit a five-signature letter to the Los Angeles County State Legislative Delegation informing each member of the County's position on SB 556 and requesting that they do not support the legislation.

Analysis of SB 556 (Corbett)

SB 556, as amended on July 1, 2013, would prohibit private entities contracting with a public agency from displaying content on their uniforms or vehicles which could imply that the local agency is providing those services.

Under existing law, an employer is authorized, without prohibition, to prescribe the weight, color, quality, texture, style, form and make of uniforms required to be worn by his or her employees. Existing law prohibits unfair or deceptive acts or practices intended to result in the sale or lease of goods or services to any consumer, including misrepresenting the source, sponsorship, approval, or certification of goods or services.

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SB 556 would prohibit a private business or entity that contracts with a public agency from displaying on a vehicle or uniform, a seal, emblem, brand name, or any other term, symbol, or content that could imply that their labor or services are being provided by the public agency's employees, unless the contractor vehicle conspicuously displays the following: "THE OPERATOR OF THIS VEHICLE IS NOT A GOVERNMENT EMPLOYEE," and the uniform of the contracted employee conspicuously displays, "NOT A GOVERNMENT EMPLOYEE." These disclosures would need to be displayed in a font size at least the same size as the largest font size otherwise displayed on the vehicle or uniform and close to the seal, emblem, trade or brand name, or any other content so as to be clearly associated. Under this measure, any violations of these requirements would be subject to the remedies provided in the Consumers Legal Remedies Act (CLRA). The CLRA provides statutory remedies for unfair methods of consumer competition and/or practices, including allowing consumer claimants to obtain actual damages; an order prohibiting the practice; restitution of property; punitive damages; court costs and attorney's fees; and any other court deemed relief.

The California State Association of Counties (CSAC) opposes this bill, indicating that SB 556 could place a significant financial burden on private businesses that contract with counties. The Internal Services Department (ISD) concurs with CSAC's assessment noting that increased costs under this measure would ultimately be passed on to the County. Concurrently, ISD indicates that implementing and enforcing the bill's requirements, which would need to be added to contract provisions currently monitored, would create an additional workload for County departments. CSAC also notes that SB 556 does not appear to solve any issues or potential problems. ISD agrees, indicating they are not aware of any reported problems of public confusion resulting from private contractors utilizing uniforms or vehicles similar to the County.

The Department of Health Services (DHS) notes similar concerns, primarily that SB 556 would create extra costs for ambulance companies that would be passed on to consumers. Likewise, DHS reports they are not aware of any current issues that the bill would solve. The Department of Public Works (DPW) notes that the County has a long tradition of contracting for (or contracting through or in partnership with a municipal operator for) transit operations that provide fixed route, paratransit or recreational service for unincorporated area residents throughout the County. DPW indicates that SB 556 would increase costs and diminish revenues for County-involved contract operations, as well as create unnecessary distractions for riders and operators.

County Counsel notes that the bill's language is confusing and unclear what remedies, if any, would be available against the County. County Counsel indicates that SB 556 specifies that the remedies under CLRA are in addition to any other available remedies,

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but the bill fails to clearly specify the other remedies. County Counsel notes that SB 556 might create unintended consequences, including legal proceedings against a contractor that may result in a court order requiring the County to take action against the contractor.

SB 556 is co-sponsored by the California Labor Federation and the California Professional Firefighters. According to the author, this bill is needed to ensure that members of the public can visually distinguish between government employees and non-government employees, because in certain situations, public employees are required to have greater training and are held to a higher degree of accountability by virtue of being a government employee.

SB 556 is similar to AB 2389 (Lowenthal) of 2012, which would have prohibited a contractor providing services that require entering private residences from using a uniform that bears the name or logo of the contracting entity, unless the uniform met certain disclosure requirements. Governor Brown vetoed AB 2389, noting it was unclear that requiring specified logos on uniforms and vehicles solves any problems.

SB 556 is currently on the Assembly Floor awaiting consideration.

Conclusion

There is no existing Board-approved policy related to prescribing what County contractors can display on their vehicles or uniforms. Therefore, opposition of SB 556, which would prohibit private entities contracting with a public agency from displaying content on their uniforms or vehicles which could imply that the local agency is providing those services, **is a matter of Board policy determination.**

We will continue to keep you advised.

WTF:RA
MR:PC:ma

c: Executive Office, Board of Supervisors
County Counsel